

B

NATIONAL SOCIETY

FOR

BUSINESS

BUDGETING

ANNUAL REPORT

1959-1960





One of the most gratifying of the duties of your 1959-60 President is this one of recapitulating for you the progress of the National Society. There are forward steps in technical contributions to be reported; there is realignment of facilities; there are many new Members and new Chapters; there is continued increase in recognition in the business community. And, most of all, there is the fine work that was done by our Members in contributing to NSBB.

MEMBERSHIP

An organization is people - to NSBB that means Members and Chapters. We started the year with 1,192 Regular Members, 2 Associate Members and three Honorary Members. On June 30, 1960, the rolls listed 1,434 Regular Members, the same 2 Associate Members, and the three Honorary Members. That is an increase of about 20%.

As to Chapters, we had 34 on July 1, 1959, and 44 on June 30, 1960. The ten who have joined the "family" are:

No. 35 Boston	No. 39 Western Florida	No. 42 New Orleans
No. 36 Toledo	No. 40 Shreveport	No. 43 Utah
No. 37 Chattanooga	No. 41 Baltimore	No. 44 Nashville
No. 38 Decatur		

This growth - especially as to Chapters - was far from haphazard. It was the result of careful planning and continual dedicated effort on the part of the Membership and Chapter Formation Committee, eight Members under Vice-President Donald E. Bacon.

This Committee located the individuals who had the knowledge and the interest to consult their neighbors about forming Chapters, and worked with those men throughout the formation process.



Donald E. Bacon
R. R. Donnelley & Sons Co.

This activity involved a certain amount of travel, the cost of which properly was shared by the Society. A Budget of \$750 had been Assigned for this work, but it proceeded so much more rapidly than had been anticipated that the Committee spent \$998 in fares and incidental expenses.

"BUSINESS BUDGETING"

Our magazine is rapidly taking its place as a leader among technical publications. In addition to Member subscriptions, we have more than 150 paid ones, and a substantial mailing list of civic, university and industrial libraries that ask regularly for BUSINESS BUDGETING. Each of the six issues published in a year goes out to more than 1,800 readers. That they value it is indicated by the number of requests for back numbers and reprints of articles.

For three years now the Editor has been Mr. Lawrence P. Haverkamp of the Cincinnati Chapter. It is he who established the present format and organized the fine printing service that we get. His has been the task of soliciting manuscripts from the Membership, selecting and editing for publication and supervising production.

Regretfully your Board of Directors accepted Mr. Haverkamp's resignation as Editor at the May 19 Meeting in Cincinnati. He is taking on new duties in his business affiliation and must turn over the Editorship to a successor.

Mr. Neil F. Denen of the Tri-Cities Chapter became Editor on July 1. Mr. Denen is not only a skilled Budgeteer, he is also experienced in editing and producing technical material. The Society and its magazine are fortunate to have his services.

The production costs of the six 1959-60 issues were as follows:

	<u>Actual</u>	<u>Budget</u>
Printing	\$6,149	\$5,600
Envelopes	349	240
Postage, Copyright & Supplies	92	102
Servicing Subscribers	0	158
Fee to the Editor	<u>900</u>	<u>900</u>
Totals	\$7,490	\$7,000

The over-run in printing costs is due to use of more pictures than had been planned.

The paid subscriptions change the Budget comparison. Administrative Secretary Aichholz, who is also Circulation Manager for BUSINESS BUDGETING, conducted a direct mail campaign, by direction of the Board. Subscription income was invested in this effort to obtain more income in this and future years. The results, financially:



L. P. Haverkamp
Trailmobile Inc.

	<u>Actual</u>	<u>Budget</u>
Cost of the Subscription Campaign	\$1,515	\$2,148
Less: Subscription Income	<u>1,541</u>	<u>1,050</u>
Net Cost of the Campaign	\$ - 26	\$1,098

The savings in this area more than offset the overrun in actual production of BUSINESS BUDGETING:

Production Costs	\$7,490	\$7,000
Net cost of Campaign	<u>- 26</u>	<u>1,098</u>
Total for BUSINESS BUDGETING	\$7,464	\$8,098

"MANAGERIAL BUDGETING"

It was more than five years ago that NSBB embarked on the project of writing a textbook for colleges and universities on the subject of Budgeting. Now we can report that the job is practically finished.

Despite warnings from publishers and authors and sister societies that writing a textbook was an impractical project, your Society - not one man or two men, but the Society - has accomplished it. A publishing contract was signed in June, 1960, and the manuscript is being duplicated as you read this.

The first edition will be very limited. It will be a "test" to be used by the students in only three selected colleges as a trial, during the Fall Semester of 1960. That "dry run" will indicate where polishing is needed and from it will come the "teacher aids" that are essential to such a work. Under the present program, The Macmillan Company will assume full responsibility for publication of the finally edited manuscript by June 1, 1961. In the Spring of 1962, "Managerial Budgeting" will be off the presses and on its way to the colleges and universities of the country.

More than any others, two men have been responsible for this outstanding accomplishment: Mr. Duane R. Borst of the Chicago Chapter has continuously been Chairman of the Textbook Committee (called the "Research Committee" in earlier days). It is his leadership and his unfailing belief in the rightness of the work, that permits this report of accomplishment.

Working with him all through the period has been Dr. W. D. Knight of the Milwaukee Chapter, Professor of Accounting at the University of Wisconsin. Dr. Knight has done most of the editing under the direction of the Committee. Dr. Ernest A. Weinwurm, Associate Professor of Accounting at DePaul University, worked with Dr. Knight during the last year or so of the preparation.

Other names come to mind as we look back over this five years of work: Mr. Clarence C. Benedict of the Detroit Chapter, Mr. Walter R. Bunge of the Chicago Chapter, Mr. Joseph P. Grimm of the Milwaukee Chapter, Mr. Harry P. Kelley of the Philadelphia Chapter, and Mr. Warner Knobe of the Milwaukee Chapter. "Managerial Budgeting" has been written by the Society and edited by the Committee. There is no single author and no single editor.

The Committee's expenses were small in 1959-60. There was \$450 to Drs. Knight and Weinwurm as fees, and \$77 for meeting expenses.



*Duane R. Borst
J. T. Ryerson & Son, Inc.*

THE TENTH ANNUAL CONFERENCE

On May 20 and 21 over 300 budget executives met in Cincinnati at another record breaking NSBB Conference. There were more people present than attended any previous NSBB affair. More of them brought their wives than in any previous year.

It must be remembered that NSBB does not have a large staff of employees to "put on" these Conferences. Our own members have to rob their business and personal time to find the thousands of man-hours needed. Altho the experience of each successive Conference Committee is recorded and passed to the next "generation" in our "Conference

Manual", generally these Committees have to rely on their own ingenuity and initiative to get results. The techniques of hotel arrangement, of public relations, of handling large groups of people, of program-building...all of these must be learned as they are used.

Leading the Tenth Annual Conference Committee was the General Chairman, Mr. Harold J. Woehrmyer. He was the chief source of new ideas. He was organizer and the man who selected the Committee Chairmen. He backed up each of those men, stepping in when they needed help and encouraging them as they worked through the maze of detail.

The Cincinnati Chapter itself was really the Conference Committee. Mr. Woehrmyer had nine members heading the various groups that attended to the details, the results of which were so pleasantly apparent last May in Cincinnati:



Harold J. Woehrmyer
Cincinnati Gas & Electric Co.

Mr. M. C. Aichholz	Publicity
Mr. C. L. Buenger	Reception
Mr. P. D. Coons	Deputy Conference Chairman
Mr. L. P. Haverkamp	Program
Mr. F. J. Kieffer	Finance
Mr. B. T. Mayhall	Arrangements
Mr. E. N. Reinhold	Registrations
Mr. C. P. Reynolds	Deputy Conference Chairman
Mr. S. D. Timmerman	General Conference Secretary

In addition to these men the activities for the ladies were supervised by a group of wives of the Chapter Members headed by Mrs. Dorothy Woehrmyer.

The Tenth Annual Conference netted to the Society treasury \$3,636.51.

FIRST MIDWEST REGIONAL CONFERENCE

Frequently Chapters get together for joint meetings, and it is not uncommon for NSBB Chapters to meet jointly with local groups of sister societies.

But it was for eleven of our Chapters in the Mid-West to blaze the trail by holding the first organized Regional Conference in NSBB history:



Robert W. Eklund
Armour Research Foundation

Calumet Region Chapter,	Kalamazoo Chapter,
Chicago Chapter,	Milwaukee Chapter,
Detroit Chapter,	Peoria Chapter,
Fox River Valley Chapter,	Skokie Valley Chapter,
Joliet-Kankakee Chapter,	Tri-Cities Chapter, and
Twin Cities Chapter	

cooperated in the project. The Chicago Chapter was host and "house-keeper", with Mr. Robert W. Eklund as General Chairman.

The one-day Conference consisted of seminars for NSBB Members only. There were four in the morning and four in the afternoon, with a generally non-technical luncheon as a "break". They had a "hospitality room" the evening before the seminars.

Leadership of the Seminars was distributed among the participating Chapters, so it was truly "for NSBB Members and by NSBB Members". Even the selection of seminar subjects was by NSBB Members, thru polling the Chapters.

The Regional Conference was so successful - over 90 Members attending despite a Chicago blizzard - that plans were immediately made for a Second Conference.

This was not a National function. It was conceived and executed strictly at the Chapter level. But the National Administration is pleased that this significant "break-through" occurred in 1959 - 60.

AWARDS COMMITTEE

At the May, 1959, Meeting in Minneapolis, your Board of Directors approved a program for the recognition of outstanding activity of Chapters and their Members. Mr. Charles E. Manteuffel of the Louisville Chapter was appointed Chairman of an Awards Committee to judge entries and recommend winners.

For the best articles written by a Member appearing in BUSINESS BUDGETING during the calendar year 1959: This has been designed "The Ron Hutchinson Award", honoring NSBB's first President. Mr. Harry P. Kelley of the Philadelphia Chapter was awarded a suitably engraved plaque and a prize of \$25 for his paper, "A System Integrating Direct Costing, Standard Costs, Flexible Budgets and Return on Investment" that appeared in the June, 1959 issue.

For the most effective series of Chapter Newsletters during the 1959-60 year: The New York City Chapter was awarded a twin pen set. Mr. John J. Ormsby was the Newsletter Editor during the year.

For the most effective Chapter Brochure published during 1959-60: The San Francisco-Bay Area Chapter was awarded a lectern.

RESEARCH COMMITTEE

Late in 1958-59 at the request of President Harold C. Mason, Mr. Roman Dodyk of the Detroit Chapter made a study of the direction in which National Research in NSBB should go. As a result of his recommendations the Research Committee was reorganized at the beginning of 1959-60 under the leadership of Mr. Carl O. Wessman of the Chicago Chapter. The group was assigned a task of supervising the preparation of Research Bulletins and arranging for their publication and distribution. These Bulletins are to be written under the sponsorship of individual Chapters or by one or more members working independently on each. The functions of the Research Committee are to arrange with Chapters and Members to write the Research Bulletins; to accept the material resulting as suitable for endorsement by the Society; and to arrange for printing and distribution.

The Chicago Chapter has undertaken to prepare a Bulletin on "Glossary of Budget Terms" as the first project of the program. This should be ready for distribution in the Fall of 1960. More projects will follow as other Chapters and individual members undertake them.



Carl O. Wessman
Armour and Company

This effort has been called "Research" up to this time, largely for lack of better identification. Some true research will be involved as the program proceeds, without doubt. But essentially it is a way of supplementing BUSINESS BUDGETING and the Society's college text, "Managerial Budgeting," as means of placing on the record statements of theory, practice and procedure in Budgeting that have the endorsement of the Society.

GOVERNMENT BUDGET COMMITTEE

At the Ninth Annual Conference in Minneapolis in May of 1959, the featured speaker was Mr. Maurice Stans, Director of the Budget of the United States. Mr. Stans urged the Society to take an active part in promoting sound budgetary and fiscal procedures in our Federal Government. He urged that we as the leaders in the Budget field in business and industry place our skills at the disposal of the Federal Government and use our prestige in every way possible to promote good budgetary control and balancing of Federal income against Federal expenditures.

As a direct result of that presentation, the Society adopted an appropriate resolution and dispatched it to President Eisenhower. An encouraging reply having been received, active steps were taken by the Government Budget Committee under the direction of Mr.

William D. McGuire of the Milwaukee Chapter to initiate an appropriate program. After two sessions in Washington with the Bureau of the Budget and with certain members of the House Appropriations Committee it was decided that the first step would be to attempt to release from the House Rules Committee for consideration on the floor of the House, a resolution permitting a survey of Congressional budget procedures. This work is currently being carried on throughout NSBB and by cooperation with sister societies.



William D. McGuire
Kimberly-Clark Corporation

It is the beginning of what will probably be a long drawn out and often discouraging attempt on the part of NSBB to be a good citizen. We do not believe that we have the financial backing or enough members to do the type of work in this field that will make us famous. Rather, ours will be a role of quiet contribution.

Typical of the deliberately slow start being made on this project is the fact that the 1959-60 budget included only \$200 for the Committee. They actually spent \$196 in the course of visits to Washington.

CHAPTER PRESIDENTS' FORUM

In conjunction with the Tenth Annual Conference, there was held in Cincinnati on May 17 another Chapter Presidents' Forum. This was about the third occasion on which those who lead our Chapters were able to get together to discuss problems that affect all of their units.

Chairman Emil J. Lage of the San Francisco-Bay Area Chapter reports -

"There was a full and complete discussion, with a high degree of participation from the attendees, on a number of topics of vital interest to the Chapter Presidents. The discussions included such topics as Membership Qualifications, Research Projects at the National and Local levels,

Election of Region Directors, distribution of Chapter Brochures and Newsletters, and National dues. Resolutions or recommendations were passed on most of the enumerated topics. These resolutions and recommendations were submitted to the Board of Directors at the meeting on May 19, 1960, for their consideration."

Thus the communications between the Chapters and the National Board were facilitated, and Chapter Presidents had a fine opportunity to discuss among themselves methods of meeting problems encountered in their groups.

It is the strong desire of the retiring Administration that these Forums be continued as an annual feature. Although the Region Directors can surely be depended on to represent their respective Chapters effectively on the Board of Directors, there is really no substitute for the face-to-face discussion that these Forums permit.



Emil J. Lage
Pacific Gas & Electric Co.

AUDITING COMMITTEE

For many years it was the practice of your Board to ask Members who were not on the Board to review the Society's accounts as auditors. But for 1959-60 it was decided that the Auditing Committee would retain professionals for this work.

Mr. Richard J. Shaw of the Cincinnati Chapter, Chairman of the Auditing Committee, engaged the services of Ernst and Ernst, who reviewed our accounts at the Society Headquarters. They gave us a satisfactory certificate and made several suggestions for enhancing the effectiveness of our bookkeeping. Their statements and the letter of certification are available in the Office of the Administrative Secretary for inspection by those properly interested.

Mr. Shaw and his Committee did the audit of the Tenth Annual Conference records which were maintained by Mr. Fred J. Kieffer, Chairman of the Conference Finance Committee. They reported everything was in order.



Richard F. Shaw
Procter & Gamble Co.

PLANNING COMMITTEE

Following the pattern of the previous three years, in 1959-60 a Planning Committee devoted much time to extending and refining our projected progress in the immediate future.

Chapter Presidents and key personnel at the National level all contributed to the "long-range" forecasting and general planning under the Chairmanship of First Vice-President Arthur D. Moor.

A major project of this group was following up on the recommendation of the 1958-59 Planning Committee that National dues be increased effective July 1, 1960. The Committee prepared this forecast of the Society's Membership growth in the next three years,

basing the estimates on forecasts of the Chapter Presidents:

	1959-60 <u>Actual</u>	1960-61 <u>Estimate</u>	1961-62 <u>Estimate</u>	1962-63 <u>Estimate</u>
1. Chapters Chartered at Year's End	44	48	50	52
2. Regular Members Enrolled at Start	1,192	1,434	1,674	1,880
3. Net Additions Prior to 12/31	74	129	96	101
4. Net Additions after 12/31	168	111	110	111
5. Regular Members Enrolled at Year's End	1,434	1,674	1,880	2,092
6. Associate Members Enrolled at Year's End	2	3	4	5
7. Total Members Enrolled at Year's End	1,436	1,677	1,884	2,097

They then extended the Membership data by the National dues schedule, assuming the \$15 rate of the last three years would be unchanged, with these results:

8. Dues Income	\$20,415	\$24,300	\$27,405	\$30,585
9. Annual Conference Net Income	3,637	2,000	2,000	2,000
10. Miscellaneous Income	<u>186</u>	<u>0</u>	<u>0</u>	<u>0</u>
11. Total Income	\$24,238	\$26,300	\$29,405	\$32,585

Next was the problem of Expense Forecasting. They examined each area of expense, bearing in mind the objectives of the Society and the indicated needs of business and education for leadership in our field of Budgeting. That forecast yielded the following:

12. Business Budgeting (net)	\$ 7,464	\$ 8,300	\$ 8,500	\$ 8,900
13. Awards Committee	131	150	150	150
14. Government Budget Committee	196	350	500	500
15. Education Committee	0	50	50	50
16. Office of the Administrative Secretary	12,589	17,310	22,500	22,200
17. Legal Counsel	623	750	750	800
18. Membership & Chapter Formation	998	750	750	750
19. Publicity & Public Relations	530	500	600	700
20. Officers' Travel	348	1,000	1,000	1,000
21. National Meetings	827	750	750	750
22. Miscellany & Contingency	<u>496</u>	<u>150</u>	<u>150</u>	<u>150</u>
23. Total	\$24,202	\$30,060	\$35,700	\$35,950

Obviously our modest cash balances could not stand the serious drain indicated when line 23 of that Expense Forecast was compared with Total Income (Line 11). We would lose ground at the rate of \$4000 a year before any grant to the "Special Projects Fund". By the end of 1962 we would be insolvent.

But by increasing National Dues to \$20 effective July 1, 1960 the picture changed considerably:

24. Dues Income	\$20,415	\$32,400	\$36,540	\$40,780
25. Annual Conference Net Income	3,637	2,000	2,000	2,000
26. Miscellaneous Income	<u>186</u>	<u>0</u>	<u>0</u>	<u>0</u>
27. Total Income	\$24,238	\$34,400	\$38,540	\$42,780
28. Expenses	<u>24,202</u>	<u>30,060</u>	<u>35,700</u>	<u>35,950</u>
29. Net Increase in Funds	\$ 36	\$ 4,340	\$ 2,840	\$ 6,830

Under these circumstances it would be possible to carry out plans adopted in this and previous years for the continued improvement of BUSINESS BUDGETING and other services to our members, and funds could be set aside for special projects.

On recommendation of the Planning Committee the Board of Directors at its May 19, 1960 meeting, increased the National dues to \$20 per year for regular members effective July 1, 1960.

Several other areas were considered by the Committee, notably the question of membership standards. A sub-committee chaired by Mr. A. E. Ellison of the San Francisco-Bay Area Chapter reviewed this problem at both the Chapter and National levels. Quoting from the report of the sub-committee:

"...The quality of membership can make or break a chapter. This in turn can make or break the National organization because the National officers are a product of the Local Chapter. To the extent that we have strong, active Local Chapters, we shall have a strong, active National organization and outstandingly successful National conferences..."

"Membership in the local chapters of NSBB should be...open to all those interested in furthering the objectives of the Society and who expect to participate actively..."

"Local Chapters should implement the definition as seems appropriate and in the light of the conditions existing in their respective areas."



Arthur D. Moor
United Air Lines

ORGANIZATION

NSBB was formed in 1951 from two nuclei, one in New York City, one consisting of groups in Chicago, Milwaukee, and the Twin Cities. At that time it boasted about 150 members in those original three Chapters. Now we have 44 Chapters and more than 1,400 Members. It is to be expected that the organizational framework which was suitable for the early years of the Society has been outgrown. Therefore, following the recommendations of the 1958-59 Planning Committee, a revised set of By-Laws was prepared and submitted to the Membership for adoption last Spring. The work was done by an Organization Committee headed by Secretary Leslie G. Hawkins.

According to our new rules, the Board of Directors has directed that the Society be organized into six Regions, as follows:

Region I

Boston Chapter
Bridgeport Chapter
Hartford Chapter
New York Chapter
Niagara Frontier Chapter
Northern New Jersey Chapter
Philadelphia Chapter
30 Members - at - Large

Region II

Canton Chapter
Cincinnati Chapter
Cleveland Chapter
Dayton Chapter
Detroit Chapter
Indianapolis Chapter
Kalamazoo Chapter
Pittsburgh Chapter
Toledo Chapter
16 Members - at - Large

Region III

Decatur Chapter
Kansas City Chapter
Milwaukee Chapter
St. Louis Chapter
Tri - Cities Chapter
Twin Cities Chapter
3 Members - at - Large

Region IV

Calumet Region Chapter
Chicago Chapter
Fox River Valley Chapter
Joliet-Kankakee Chapter
Peoria Chapter
Skokie Valley Chapter
2 Members - at - Large

Region V

Atlanta Chapter
Baltimore Chapter
Chattanooga Chapter
Dallas Chapter
Houston Chapter
Louisville Chapter
Nashville Chapter
New Orleans Chapter
Shreveport Chapter
Western Florida Chapter
17 Members - at - Large

Region VI

Los Angeles Chapter
New Mexico Chapter
Rocky Mountain Chapter
San Diego Chapter
San Francisco-Bay Area
Chapter
Utah Chapter
15 Members - at - Large

Each of these Regions will be represented on the Board of Directors by two Regional Directors. A Regional Director will be nominated by the Presidents of the Chapters in his Region and elected by the Members in his Region. The Board will consist of those Directors, the President, the Vice-President, the Secretary-Treasurer, and the Past President. Thus that body will have 16 instead of the 52 that were on the list for the May 1960 Meeting.



Leslie G. Hawkins
University of California

Another major innovation of the new By-Laws is the provision for establishment of a research corporation as a subsidiary of the Society. This was on the recommendation of Mr. William R. Buge, Legal Counsel of the Society, who suggested it as preparation for the possibility of our accepting research grants. The Research Corporation will be subject to the control of the Board of Directors of the Parent Society at all times, and its President will be the President of the Society. It was the expressed plan of the 1959-60 Board that the Research Corporation would not be activated in the immediate future and, further, that when the time comes to do it a referendum from the Membership will be taken confirming approval of the step.

There are numerous other changes in the administrative framework of your Society introduced by the revised By-Laws. Generally they are minor and in the direction of simpler, more flexible, and less expensive operation at the National level.

FINANCES

Each activity report included here has brief mention of expenses. And here are summarized the Society's finances in the form of a "Source and Disposition of Funds" statement. Again 1959-60 saw a step forward in administration: At the Board's direction, a "Special Projects Fund" has been established. Income from dues, from the National Conference, and from miscellaneous sources has been taken into the "General Fund." From this the expenses of regular services like BUSINESS BUDGETING, Awards, and administration are deducted. And there is also deducted a "Grant to the Special Projects Fund." In 1959-60, 10% of all dues received were allocated to that latter Fund.

SOURCE OF GENERAL FUNDS

	<u>Actual</u>	<u>Budget</u>
Membership Dues	\$19,567.50	\$19,885
Tenth Annual Conference (Net)	3,636.51	2,700
Miscellaneous Sources	186.00	0
General Funds Accumulated in Prior Years	<u>2,768.35</u>	<u>3,813</u>
Total Available	\$26,158.36	\$26,398

DISPOSITION OF GENERAL FUNDS

BUSINESS BUDGETING (Net)	\$ 7,463.96	\$ 8,098
Awards Committee	130.99	100
Government Budget Committee	195.63	250
Education Committee	0	100
Grant to the Special Projects Fund	1,956.75	2,050
Office of the Administrative Secretary	12,589.11	12,000
Legal Counsel	622.74	600
Membership and Chapter Formation	998.11	750
Publicity and Public Relations	530.19	500
Officers' Travel	347.77	1,000
National Meetings	826.65	750
Miscellany and Contingency	<u>496.46</u>	<u>200</u>
Total Disbursements	\$26,158.36	\$26,398

SOURCE OF SPECIAL PROJECTS FUND

Grant from General Funds	\$ 1,956.75	\$ 2,050
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DISPOSITION OF SPECIAL PROJECTS FUND

Textbook Committee Expenses	\$ 526.85	\$ 1,300
Research Committee Expenses	0	200
Accumulation for the Future	<u>1,429.90</u>	<u>550</u>
	\$ 1,956.75	\$ 2,050

CHANGE IN FUNDS

	<u>General Fund</u>	<u>Special Projects Fund</u>	<u>Total Fund</u>
BALANCE July 1, 1959	\$12,274.40	0	\$12,274.40
Receipts during the Year	\$23,390.01	\$1,956.75	
Expenses during the Year	<u>26,158.36</u>	<u>526.85</u>	
Net Expenses	\$ 2,768.35		
Net Receipts	<u></u>	<u>\$1,429.90</u>	
BALANCE June 30, 1960	\$ 9,506.05	\$1,429.90	\$10,035.95



Bernard W. Schaller
Theo. Hamm Brewing Co.

The Textbook and the Research Bulletins were considered "Special Projects" and drew their expenses from that Fund. Incidentally, it is the intent of the Board that any royalty income from sale of the Textbook will be credited to the Special Projects Fund.

Mention has been made that we believe the Society should bear its fair share of expenses incurred by Members in course of its business, rather than imposing on the generosity of their companies. Thus, we had in 1959-60 for the first time an item of expense, "Officers' Travel"; this covered a portion of the expenses of your Officers when they travelled on Society business. And expenses for such groups as the Tenth Annual Conference Committee, and the Membership and Chapter Formation Committee, were proportionately higher this year than heretofore...an effect of implementing that policy. We believe that in recognizing such responsibility, the Society is adopting a mature approach to its operations.

ADMINISTRATIVE SECRETARY

In the Cincinnati area is the "headquarters" of NSBB, an office devoted to the service of our 1400 Members and 44 Chapters.

Mr. Melvin C. Aichholz, when he was Budget Director of the Bavarian Brewing Company, ran that office along with his work at the Brewery.

At the meeting of the Board in October 1959, however, a contract with Mr. Aichholz was authorized enabling him to devote full time to the Society. This was just one step in a series of planned expansion of our administrative facilities that had been programmed several years ago; and it was about "on schedule."

On January 1, 1960, our "offices" were transferred to Mr. Aichholz' home in the Terrace Park section of Cincinnati.

Much of the work done in the "office" are functions of the Offices of Secretary and Treasurer. For instance, here is a run-down of some of the activity during 1959-60:

Collected National dues from Chapter Members thru the Chapter Treasurers, and directly from Members - at - Large. In the course of this . . .

Reconciled and corrected Chapter rolls -- a surprisingly complicated task!

Processed 397 new Members -- Membership certificates, mailing records, and so on.

National Meetings (two Directors Meetings, an Annual Meeting of the Membership, and four joint meetings of the Executive and Planning Committees); Assembled the reports as available in advance, duplicated and issued them in an "Agenda" booklet; attended the Meetings; prepared and issued Minutes.

Finances: Received and disbursed all funds of the Society except those concerning the Tenth Annual Conference; kept a full set of books.

Routine Reports: Monthly Membership Report by Chapters; monthly financial report to the Treasurer.

Correspondence: Letters and letters and letters to and from Members, Chapter Officers, sister societies, and so on.

Publications: Prepared and issued "Notes for Chapters" the compendium of information and data about the Society which is a "must" for smooth Chapter administration; prepared and issued the "National Brochure," the little pamphlet summarizing NSBB that is so valuable to Chapter Membership Committees and the National Membership and Chapter Formation Committees.

Of course, having the accurate and up-to-date rolls of the Society Membership, Mr. Aichholz naturally acted as Circulation Manager of BUSINESS BUDGETING. He prepared the envelopes for mailing each issue and worked closely with Editor Lawrence P. Haverkamp on mailing schedules and other problems of distribution. And he conducted the direct mail campaign for BUSINESS BUDGETING subscriptions which involved mailing more than 10,000 letters.

Mr. Aichholz worked with other National Committees, too. For the Membership and Chapter Formation Committee he assembled and issued as requested a "kit" for the people who are interested in forming Chapters. And he visited several cities where Chapters were being formed to lend the influence of his National Office to the effort.

The Tenth Annual Conference Committee had him as Publicity Chairman; he handled the mailings to Members and participated in the printing of literature. For the Government Budget Committee he arranged for a mailing to all Members about the need for Congressional action.

The Organization Committee required much help. The revised By-Laws had to be printed and mailed to all members for a vote -- several hundred pounds of paper! And the Election Committee had to have a most exacting mailing of ballots and associate material for the National and Regional Elections.

These are some of the highlights of Mr. Aichholz' work for the Society, during 1959-60. Since it is anything but mechanical work, it is costly. His small staff (which during the first six months of his "professional" operation, included only Mrs. Aichholz) makes it necessary that he attend personally to many of the details that in a more mature organization would be automatic or handled by clerks. Here is a recap of the costs of the service during 1959-60:

Fee during first half (part-time)	\$2,400
Fee during second half (full time)	6,000
Printing and Postage	2,773
Equipment for the office	658
Travel to National Meetings	583
Telephone	60
Miscellaneous	115
Total	\$12,589



Melvin C. Aichholz

Like most technical societies headed by annually-elected Officers, NSBB must have a good man running its "headquarters." He operates independently most of the time with minimum rules to guide him. He must have initiative and be intelligent if he is to cope with the daily problems of his Office. Above all, he must know the Society intimately and be dedicated to its welfare.

NSBB is fortunate to have "Mel" as Administrative Secretary.

PUBLICITY

Many times individual Members and the Board of Directors have come out firmly against "bally-hoo" publicity for NSBB. The society does not want its name used indiscriminately in the technical and general press and all the other media of the "publicity agent."

But an essential to sound growth is that commerce, industry, education and government, be aware of our organization and respect it as the leader in its field. Good public relations can help us attain this recognition just as the wrong kind could do the Society much harm.

Last Fall the Board authorized an experiment in this field tied in with the Tenth Annual Conference. Mr. Aichholz, as Chairman of the Publicity Committee was to retain a Public Relations Counselor to contribute his efforts -- largely on a local basis -- to the success of the affair. After considerable deliberation, Mr. Bob Otto of Cincinnati was assigned the job.

Mr. Otto was successful in obtaining a measure of publicity of the kind we are seeking; substantial lineage in Cincinnati newspapers and modest coverage nationally. Both the National Officers and the Conference Committee learned much about the possibilities of such an approach . . . and the limitations.

NOMINATING COMMITTEE

The Nominating Committee each year usually consists of Past National Presidents. Mr. Harold C. Mason of the Milwaukee Chapter headed the group who selected the names placed before you for the 1960-61 National Offices.

This Committee introduced a change in the pattern established over the years. They nominated two men for Vice-President and two for Secretary-Treasurer.

Out of their individual experiences as Presidents of the Society, and having seen the work done at the National level over a good many years, they had come to the belief that dual slates will better serve the interests of the Membership than will single nominations. As they point out, not even men of their broad experience can be sure that they are selecting the best talent available. By having dual slates they believe that the probability of doing so is increased.

An exception was made for the 1960-61 slate in the case of the



Harold C. Mason
S. C. Johnson & Son, Inc.

President. They named only one man for that position out of respect for the tradition that the First Vice-President of one year has been nominated for President the next year. However, in reporting to the Board in May, Mr. Mason and his Committee urged care in the use of this "ladder" technique, because of the possibility it might limit selection.

The Society is fortunate that Mr. Mason's Nominating Committee had the courage to come to grips with this often controversial problem.

LEGAL COUNSEL

NSBB as such was incorporated in 1951, and the man who supervised that intricate operation was Mr. William R. Buge. Mr. Buge is an attorney, not a Budgeteer. And yet for these ten years he has acted as Legal Counsel to the Society, often with no compensation but sometimes receiving partial reimbursement of out-of-pocket expenses. He is frequently at meetings of our Executive Committee and Board of Directors; he participates in our planning and every year files the necessary reports with the Federal Government and the State of Illinois.

In 1959-60 especially Mr. Buge worked hard for the Society. He attended all of the important National meetings; he participated in the revision of the By-Laws with Secretary Hawkins; he developed and wrote up for the Organization Committee the provisions for a research subsidiary; and he did some contract work for us.

This service cost the Society \$623 during the year, \$423 in partial reimbursement of travel and other out-of-pocket expenses, and \$200 as a fee. Although it was the objective of the 1959-60 administration to have the National activities of the Society "pay their way" here is an instance where we certainly did not.

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To lead a group like the National Society for Business Budgeting is a rewarding experience. Your 1959-60 Officers made many friends and added to their knowledge of our science. But even more important, they found throughout the country in small Chapters and in large ones, in old established groups and the new ones just forming, a surprising spirit of cooperation. Probably more than any one thing, this desire on the part of every Member to learn by working with others, characterizes our Society. Because of it, the amazing growth in our first decade should be only a prelude to greater things in the years to come.

We thank you for the privilege of serving you.



R. Visscher Millar
Pennsalt Chemicals Corporation

R. Visscher Millar
President





